

DOCKET NO. 80-251-E - ORDER NO. 80-539 ✓

IN RE: Small Power Production and Cogeneration Facilities - Implemen-  
tation of Section 210 of the Public  
Utility Regulatory Policies Act  
of 1978

ORDER REQUIRING  
INFORMATION

Section 210 of PURPA, inter alia, directed the Federal Energy Regulatory Commission (hereinafter "the FERC") to prescribe rules designed to encourage cogeneration and small power production by requiring certain affected electrical utilities to offer both to sell electric energy to qualifying cogeneration facilities and qualifying small production facilities and to purchase electric energy from such facilities. During February and March 1980, the FERC issued certain rules pursuant to Section 210 which define the requirements for the qualification of cogeneration facilities and small power production facilities and delineated the guidelines for the determination of the special rates and terms for the purchase and sale of the electric energy envisioned by Section 210 of PURPA.<sup>2</sup>

<sup>2</sup>See, 18 C.F.R. Part 292. See, FERC Docket No. RM79-54. See, also, FERC Docket No. RM79-55, Small Power Production and Cogeneration Facilities - Rates and Exemptions.

The FERC rules were effective on and after March 20, 1980, and require certain action by State regulatory authorities, including this Commission, within twelve months of that date.

Essentially, in accordance with the rules promulgated by the FERC for the implementation of Section 210 of PURPA, an affected electric utility is required to purchase the excess electric energy produced by qualifying cogenerators and small power producers at a price reflecting the cost that the purchasing utility can avoid as a result of obtaining energy and capacity from such sources, rather than generating an equivalent amount of energy itself or purchasing the energy or capacity from other suppliers.<sup>3</sup> In order to enable potential cogenerators and small power producers to estimate the avoided costs, the FERC's rules require affected electric utilities to furnish certain information to the appropriate regulatory authority relating to the present and future costs of energy and capacity on their respective systems.<sup>4</sup> The information is required to be filed with the regulatory authority not later than November 1, 1980, and is described as follows:<sup>5</sup>

---

<sup>3</sup>18 C.F.R. § 292.303. The requirement to pay the full avoided costs does not necessarily apply to cogeneration or small power production facilities whose construction commenced prior to November 9, 1978, nor is such requirement intended to supersede existing or future voluntary agreements between cogenerators or small power producers and an affected utility.

<sup>4</sup>The affected electric utilities subject to the jurisdiction of this Commission are Carolina Power & Light Company, Duke Power Company, and South Carolina Electric & Gas Company.

<sup>5</sup>See, 18 C.F.R. § 292.302(b).

- (1) The estimated avoided cost on the electric utility's system, solely with respect to the energy component, for various levels of purchases from qualifying facilities. Such levels of purchases shall be stated in blocks of not more than 100 megawatts for systems with peak demand of 1000 megawatts or more, and in blocks equivalent to not more than 10 per cent of the system peak for systems of less than 1000 megawatts. The avoided costs shall be stated on a cents per kilowatt-hour basis, during daily and seasonal peak and off-peak periods, by year, for the current calendar year and each of the next 5 years;
- (2) The electric utility's plan for the addition of capacity by amount and type, for purchases of firm energy and capacity, and for capacity requirements for each year during the succeeding 10 years; and
- (3) The estimated capacity costs at completion of the planned capacity additions and planned capacity firm purchases, on the basis of dollars per kilowatt, and the associated energy costs of each unit, expressed in cents per kilowatt hour. These costs shall be expressed in terms of individual generating units and of individual planned firm purchases.

In order for the Commission to undertake fairly and effectively its responsibilities to implement the provisions of the FERC rules relating to Section 210 of PURPA, the Commission finds that the information described hereinabove should be filed on or before November 1, 1980, by the affected electrical utilities in conformity with the pertinent provisions of the rules and of PURPA. Thereafter, the Commission will undertake the appropriate procedural and substantive action consistent with the requirements of law and policy.

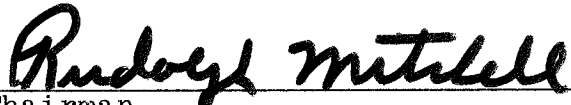
IT IS THEREFORE ORDERED:

1. That Carolina Power & Light Company, Duke Power Company, and South Carolina Electric & Gas Company be, and hereby are, directed separately to file with the Commission ten (10) copies of the information identified in 18 C.F.R. § 292.302 (b) (1) - (3), and hereinabove described, on or before November 1, 1980.

DOCKET NO. 80-251-E - ORDER NO. 80-539  
September 29, 1980  
Page Four

2. That this Order remain in full force and effect until  
further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)